GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2214
ANSWERED ON:07.12.2006
CONTRACTS TO BHEL
Kalmadi Shri Suresh

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether there is a move to reserve project contracts for thermal plants exclusively in favour of BHEL instead of encouraging competitive bidding;

(b) if so, the details thereof;

(c) whether BHEL is tying up with the French major Alsthom for super-criterial technology; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) & (b): Government of India, while extending the Purchase Preference Policy (PPP) for Central Public Sector Enterprises (CPSEs) in July,2005 granted exemption to Ministry of Power from the PPP. This was subject to the condition that they will place certain orders upon BHEL on negotiated basis price benchmarked through competitively bid projects every year. Ministry of Power and Department of Heavy Industry will work out, at the beginning of the year, the number and value of the orders to be placed upon BHEL during the financial year. However, till date no order has been placed on BHEL against this exemption by the Ministry of Power.

(c) & (d): In order to acquire required capability, BHEL had entered into a technology collaboration agreement with Alstom, SA, France in October,2005 for steam generating equipment required for 800 MW Supercritical Thermal Power Plants. The collaboration is valid for a period of 15 years.